

Proposal by the Board of Directors for resolution at the Annual General Meeting on 11 May 2022 regarding the issuance of call options for repurchased shares and the transfer of repurchased shares to key individuals in senior positions (“2022 Share-Based Incentive Programme”)

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long-term incentive programme, known as the 2022 Share-Based Incentive Programme (the “Programme”). The Programme, which is proposed to include approximately 15 key individuals in senior positions in the Alligo Group, entails that participants will be offered an opportunity to acquire call options at market price for Alligo’s repurchased Class B shares in the Company and that participants will receive a certain subsidy on the paid premium for the options after a two-year period.

The Board of Directors’ proposal also entails that the Annual General Meeting approves that the Company, in deviation from the shareholders’ preferential rights, will transfer up to 185,000 of the Company’s repurchased Class B shares to the option holders at the established exercise price in connection with any exercise of the call options (subject to any recalculations).

The Company currently holds 425,300 Class B shares in Alligo AB.

The proposal was prepared by the Company’s Remuneration Committee in consultation with the Company’s Board of Directors. The decision to propose the Programme to the Annual General Meeting was taken by the Board of Directors. The Company’s Board members are not covered by the Programme.

The Programme has the following key conditions:

- a) The number of call options issued should not exceed 185,000, corresponding to approximately 0.36 per cent of the total number of shares and approximately 0.33 per cent of the total number of votes in the Company (including shares owned by the Company). Each call option entitles its holder to acquire one (1) repurchased Class B share (“Share”) in the Company on three occasions: 1) during the period starting 2 June 2025 up to and including 16 June 2025, 2) during the period starting 18 August 2025 up to and including 1 September 2025, and 3) during the period starting 3 November 2025 – 17 November 2025 (the “Exercise Periods”). However, the acquisition of Shares may not take place during such a period when trading in shares in the Company is prohibited in accordance with Regulation (EU) No 596/2014 on market abuse of the European Parliament and of the Council issued on 16 April 2014 (“Market Abuse Regulation”) (or other equivalent legislation prevailing at any given time).
- b) The acquisition price (“Exercise Price”) for Shares when redeeming call options is to correspond to 120 per cent of the volume-weighted average price for the Company’s Class B shares on Nasdaq Stockholm during the period starting 12 May 2022 up to and including 25 May 2022. Under certain circumstances, the Exercise Price may be recalculated over the duration of the call option programme. If the market price of the Company’s Class B share at the time the call option is invoked exceeds 180 per cent of the average price during the period

12 May 2022 up to and including 25 May 2022, the exercise price shall be increased krona for krona by the amount exceeding 180 per cent.

- c) The right to acquire call options will apply to approximately 15 key individuals in senior positions in the Alligo Group in Sweden, Norway and Finland. The proportion of call options offered to each individual for acquisition will vary depending on the employee's position and level of responsibility. Approximately 35 per cent of the call options may go to Group management and the remaining approximately 65 per cent of the call options may go to other key individuals.
- d) If an individual entitled to receive a call options refrains, in whole or in part, from acquiring the offered call options then such unacquired call options will be distributed between the individuals entitled to receive call options who have presented a written application stating that they are interested in acquiring additional call options.
- e) The Board of Directors is to decide on the final distribution in accordance with the principles presented in items c) and d) above.
- f) An application to acquire call options must be made not later than 30 May 2022.
- g) The premium for call options will correspond to the market value of the call options using an external independent assessment in accordance with a generally accepted valuation method (Black & Scholes model). The measurement period for the assessment of the option premium is to be based on the volume-weighted average price for the Company's Class B shares on Nasdaq Stockholm during the period starting 12 May 2022 up to and including 25 May 2022.
- h) Based on a price for the Company's share of SEK 130, and on other market conditions existing on 5 April 2022, the value per option has been calculated at SEK 11.92, which gives a total value for all options of approximately SEK 2.2 million.
- i) Issuing call options to employees outside Sweden is dependent on tax effects, that there are no legal obstacles and that the Board of Directors is of the opinion that such an issue can take place with reasonable administrative and financial resources. The Board of Directors will have the right to make minor adjustments to the Programme brought about by applicable foreign laws and rules.
- j) The call options are freely transferable, taking into consideration the right of first refusal clause with the Company. The right of first refusal of acquired call options is to be carried out at market value. The Company has the right to repurchase issued call options.
- k) The number of Shares which the call options entitle the holders to acquire, and the Exercise Price, may be recalculated due to, for example, bonus issues, the consolidation or split of shares, new share issues or a reduction in share capital or similar measures. The date for the transfer of Shares may be brought forward due to a merger or similar measures.
- l) To encourage participation in the Programme, a subsidy in the form of cash gross salary may be paid to the option holder corresponding to the paid premium for each call option. The subsidy will be paid in June 2024 provided that the employment of the holder of the option has not been terminated from the Group or that the call options acquired from the Company have not been divested before this date.
- m) The Company has the right to repurchase the call options from the holder in the event that the option holder does not wish to redeem all of the acquired call options and notifies the Company thereof during the Exercise Periods. Furthermore, the option holder has a right to request that the Company acquires 50 per cent of the holder's call options at the market value of the option by payment of own Shares. Options are to be acquired at a price corresponding to the market value at any given time. However, call options may not be repurchased during such a period when trading in shares in the Company is prohibited in accordance with the Market Abuse Regulation (or other equivalent legislation prevailing at any given time).
- n) Within the framework of the conditions and guidelines stated above, the Board of Directors is responsible for preparing and managing the details of the Programme.
- o) The complete terms and conditions for the options are presented in Appendix 1 at the Company's website at www.alligo.com (only available in Swedish).

The costs of the Programme mainly comprise the subsidy to be paid in June 2024 in accordance with the above and the social security contributions that will accrue on this subsidy as well as administrative expenses for engaging external consultants and suppliers of administrative services in connection with the establishment of the call option programme. The total cost of the subsidy, including social security contributions, is estimated at approximately SEK 2.9 million after corporate tax (based on the market conditions on 5 April 2022). The subsidy will be offset by the option premium totalling approximately SEK 2.2 million, which the Company will receive upon transfer of the call options (based on the market conditions on 5 April 2022), which is why the Programme does not entail any net cost to the Company's equity.

The reason for the deviation from the shareholders' preferential rights and the Board of Directors' motive for implementing the Programme is to allow key individuals in senior positions in the Alligo Group, through their own investment, to participate in and promote a positive value growth trend for the Company's shares and thereby align their interests more closely with those of the Company's shareholders. The purpose of the Programme is also to contribute to a long-term increase in share ownership by managers and senior management in Alligo. In addition, the Programme is expected to create the conditions to retain and recruit qualified personnel to the Alligo Group, provide competitive remuneration and align the interests of the shareholders and senior executives. Against this background, the Board of Directors is of the opinion that the implementation of the Programme will have a positive impact on the continued development of the Alligo Group and that the Programme will benefit both the shareholders and the Company.

The Company has one previous share-based incentive programme, the 2018 Share-Based Incentive Programme. In this programme, 8,000 call options are outstanding which, based on preliminary data taking into account that there is an ongoing recalculation of the call options, entitles to acquisition of 12,480 Shares in the Company. The exercise price for these call options is preliminary set at SEK 88 per Share with the exercise period 16–30 May 2022. All of the 12,480 underlying Shares in the Company in these outstanding call options correspond in their entirety to previously repurchased Shares in the Company.

A resolution on the Board's proposal in accordance with the terms above requires the support of shareholders representing at least nine tenths of the votes cast and the shares represented at the Annual General Meeting.

This document is in all respect a translation of the Swedish original. In the event of any differences between this translation and the Swedish original, the latter shall prevail.